

# MAINE STATE LEGISLATURE

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P. of S.

L.D. 599

(Filing No. H-220)

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
116TH LEGISLATURE  
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 462, L.D. 599, Bill, "An Act to Extend the Retirement Incentive Option for Two Years"

Amend the bill by striking out all of section 1 and inserting in its place the following:

'Sec. 1. 5 MRSA §17858, as amended by PL 1991, c. 618, §3 and affected by §7, is further amended to read:

**§17858. Retirement incentive option**

Any state employee, as defined in section 17001, subsection 40, having reached normal retirement age who retires on or after October 30, 1991 and who is restored to service is not subject, for up to 3 years, to the earnings limitations set forth in section 17855. Any such person is entitled to all benefits that the person was entitled to at the time of termination by collective bargaining agreements or civil service laws and rules. The retired state employee's salary must be 80% 70% of the employee's salary at the time of termination. The retired state employee is not a member of the retirement system and therefore may not accrue additional creditable service and is not entitled to any other benefits that accrue to an active member of the retirement system. For any state employee who has reached normal retirement age on or before October 30, 1991, the option established in this section must be selected by the state employee by January 31, 1992. For all other state employees for fiscal year years 1991-92, 1992-93 and 1993-94 only, the option established in this section must be selected by the state employee within 3 months of reaching normal retirement age. For any employee selecting this option after June 30, 1993, the portion of the employer contribution that goes to pay for the

**COMMITTEE AMENDMENT**

R. O. S.

COMMITTEE AMENDMENT "A" to H.P. 462, L.D. 599

2 unfunded liability, retiree health care and administrative costs  
3 must be continued and based on the retired state employee's  
4 salary at the time of termination.'

6 Further amend the bill by inserting at the end before the  
7 statement of fact the following:

10 **FISCAL NOTE**

12 Extending the retirement incentive option for state  
13 employees will result in savings to several departments and  
14 agencies from reduced salary, health insurance and retirement  
15 contribution payments. The amount of these savings and the  
16 departments and funds affected can not be determined at this  
17 time.'

18  
20 **STATEMENT OF FACT**

22 This amendment alters the retirement incentive option so  
23 that an employee may draw a retirement benefit and continue to  
24 work at 70% of pay, rather than at 80% of pay as in the original  
25 bill. The amendment also requires that the employer contribution  
26 to the retirement system be continued for that portion that goes  
27 to pay for the unfunded liability, retiree health care and  
28 administrative costs. This change ensures that the retirement  
29 incentive option will not increase the system's unfunded  
30 liability. The amendment also adds a fiscal note to the bill.

Reported by the Majority of the Committee on Aging, Retirement & Veterans  
Reproduced and distributed under the direction of the Clerk of the  
House  
4/29/93 (Filing No. H-220)